BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: February 19, 2003	Division: Public Safety
Bulk Item: Yes X No	Department: Marathon Airport
AGENDA ITEM WORDING: Approva	al of Lease Agreement with Federal Express Corporation for
	reas around the building at Florida Keys Marathon Airport,
for a period of 24 months, commencing Ap	
ITEM BACKGROUND: Federal Expre	ess currently leases the old airport terminal building at the
Marathon Airport as the air cargo building,	, and unimproved land around the air cargo building for use
for loading, unloading and parking automo	tive vehicles. The current lease ends on March 31, 2003.
The attached Lease Agreement is for a 24-	month period.
PREVIOUS DELEVANT DOCC ACTI	ON. At their meeting on May 16, 2001, the Development
	ON: At their meeting on May 16, 2001, the Board approved arose County and Federal Express Corporation at the
Marathon Airport.	noe County and rederal express Corporation at the
ividiation in port.	
CONTRACT/AGREEMENT CHANGE	CS: This contract is the same as the current, except
	, commencing April 1, 2003 and ending on March 31, 2005.
STAFF RECOMMENDATIONS: App	roval.
TOTAL COST: \$ 0.00	BUDGETED: Yes No N/A
COST TO COUNTY:	SOURCE OF FUNDS:
COST TO COUNTT.	SOURCE OF FUNDS.
REVENUE PRODUCING: Yes X No	AMOUNT PER MONTH \$2,374.02 YEAR \$28,488.24
APPROVED BY: County Atty. YES (OMB/Purchasing YES Risk Management YES
DIVISION DIRECTOR APPROVAL:	2/5/2003
	James R. "Reggie" Paros
DOCUMENTATION: Included X	To Follow Not Required
	2.07.204,011.00
	1/2
DISPOSITION:	AGENDA ITEM #

MONROE COUNTY BOARD OF COUNTY COMMISSIONERS

CONTRACT SUMMARY
Contract #
Contract with: Federal Express Corporation Effective Date: April 1, 2003 Expiration Date: May 31, 2005
Contract Purpose/Description: Lease Agreement with Federal Express for existing terminal
building (air cargo building) and unimproved areas around building - Marathon Airport
Contract Manager: <u>James "Reggie" Paros</u> 6002 <u>Public Safety / Stop 14</u>
(Name) (Ext.) (Department)
for BOCC meeting on 2/19/03 Agenda Deadline: 2/5/03
CONTRACT COSTS
Total Dollar Value of Contract: \$\frac{\$+28,488.24 (Rev)}{} Current Year Portion: \$\frac{\$14,244.12 (Revenue)}{} Budgeted? Yes \square No \square Account Codes:
Grant: \$
County Match: \$
ADDITIONAL COSTS
Estimated Ongoing Costs: \$/yr For:
(Not included in dollar value above) (eg. maintenance, utilities, janitorial, salaries, etc.)
CONTRACT REVIEW
Changes Date Out
Date In Needed Reviewer
Division Director 2/3/203 Yes No No 45/203
Risk Management 1/27/03 Yes Now William Sunham 1/27/03
O.M.B./Purchasing 1/28/03 Yes No 1/28/03
County Attorney 1/29/03Yes⊠No□ 500 1-29-03
Comments: CPI clause should be changed to " adjusted annually
loce index for all when consumers (CFT-V) for the
OMB Form Revised 9/11/95 MCP #2 Most recent 12 months available. "Coverter 1/3/103 od
most recent 12 months available
-) entered into date now needs to be "03%.
1 monated - 1/31/03

Changes made 1/31/03 pl

LEASE AGREEMENT MARATHON AIRPORT

Federal Express

	THIS	CONTRACT	OF	LEASE	is	made	and	entered	into	on	the _		_ day	of
		, 2003	, by a	and betw	veen	MONRO	DE CO	UNTY, a	politica	sub	division	of th	e State	of
Florida	, here	inafter refer	red t	co as "C	Count	y" and	FEDE	ERAL EX	PRESS	COR	PORATI	ON, I	nereinaf	ter
referre	d to as	"FEDEX."												

WHEREAS, COUNTY owns an airport known as the Marathon Airport, located in Marathon, Monroe County, Florida, hereinafter referred to as "Airport," and

WHEREAS, FEDEX is engaged in the business of air transportation of cargo and other property, and

WHEREAS, FEDEX desires to obtain certain rights, services and privileges in connection with the use of the Airport facilities, and the COUNTY is willing to grant and lease the same to FEDEX on a non-exclusive basis, upon the terms and conditions hereinafter stated; now, therefore

IN CONSIDERATION of the premises and of the mutual covenants and agreements herein contained, and other valuable considerations, COUNTY does hereby grant and lease unto FEDEX, and FEDEX does hereby lease from COUNTY, certain premises, facilities, rights, and privileges in connection with and on the Airport, as follows, to wit:

- I. <u>PREMISES</u> COUNTY does hereby lease to FEDEX, and FEDEX leases from the COUNTY, the existing terminal building (air cargo building) presently located at the Airport, measuring 2,000 square feet, and nine thousand five hundred sixty-five square feet of unimproved areas around the building, as indicated on the drawing labeled as Exhibit "A" attached hereto and made a part hereof.
- II. <u>USE OF THE AIRPORT</u> FEDEX shall be entitled to use, in common with others authorized to do so, the airport facilities and appurtenances, together with all equipment, improvements, and services which have been or may hereafter be provided at or in connection with the Airport for common use, in the operation of a business for the transportation of cargo and other property by air.
- III. <u>TERM</u> The term of this lease shall be twenty-four (24) months, commencing April 1, 2003, and ending on March 31, 2005.
- IV. <u>RENTALS AND FEES</u> During the term of this lease, FEDEX shall pay to the COUNTY, rent as follows:
 - 1. The amount of \$2,037.78 per month for the area of two thousand (2,000) square feet, in the existing terminal area plus patios (air cargo building) for a total of Twenty-four Thousand Four Hundred Fifty-three and 36/100 Dollars (\$24,453.36) per annum, plus applicable sales tax, and
 - 2. The amount of \$336.24 per month for an area of nine thousand five hundred sixty-five (9,565) square feet of unimproved land around the air cargo building, for use for loading, unloading, and parking of automotive vehicles, for a total of Four Thousand Thirty-four and 88/100 Dollars (\$4,034.88) per annum, plus applicable sales tax.

Rental rates are subject to revision each year in accordance with the airport standard rates and charges, and in accordance with the percentage change in the Consumer Price Index for all urban consumers (CPI-U) for the most recent months available.

Rent for items 1 and 2 shall be paid in equal installments, each of which shall be due and payable on or before the first day of each calendar month during which this lease is in effect. Upon the failure of FEDEX to pay any installments when due, the COUNTY will be entitled to charge and collect, and FEDEX will be obligated to pay, a late fee of two percent (2%) of any such amount, if paid within thirty (30) days of the date due, and five percent (5%) of any such amount, not paid within thirty (30) days of the date due. Such late fees will be in addition to the amount of rent due. The acceptance by the COUNTY of the overdue rental installment plus applicable late fees shall cure what would otherwise constitute a default by FEDEX under the terms of this lease. The COUNTY, at its option, however, may refuse a proffered overdue rental installment and late fees, declare a default, and proceed according to paragraph 14 of this lease. In the event that any check, draft, or negotiable instrument by which FEDEX has tendered any rent payment is returned to the COUNTY and not honored, whether for insufficient funds or other reason, the COUNTY will be entitled to charge and collect, in addition to any applicable late payment fees as provided above, a fee of Twenty-five Dollars (\$25.00) for such dishonored instrument. Such penalty fee shall also be in addition to the amount of rent due. The acceptance by the COUNTY of the rental payment plus any applicable late fee and penalties following the receipt of a dishonored instrument shall cure what would otherwise constitute a default under the terms of this lease. The COUNTY, at its option, however, may refuse any proffered rental installment and applicable late fees and penalties, declare a default, and proceed according to paragraph 14 of this lease.

- V. <u>SECURITY DEPOSIT</u> In addition to the rent payment as provided above, FEDEX shall maintain with the COUNTY, the sum deposited, to-wit: an amount of Twenty-five Hundred Dollars (\$2,500.00), which the COUNTY will hold as a security deposit. In the event of any breach by FEDEX of any of the terms of this agreement, including any failure to timely pay any rent due, the COUNTY may draw upon the monies held by the COUNTY as security, to pay and cover any amounts due and owing from FEDEX.
- VI. <u>GUARANTEE OF SUBCONTRACTOR RESPONSIBILITY</u> FEDEX has subcontracted certain services to be provided by a subcontractor, Mountain Air Cargo (MAC), using FEDEX's airplane. In the event and upon notice that MAC is unable to satisfy its obligations for all operating expenses related to aircraft, including landing fees, FEDEX will assume responsibility for ensuring all payments and contractual agreements are maintained, or vacate the premises, and this Lease shall be terminated in accordance with Article XV of this Agreement.
- VII. <u>LEASEHOLD IMPROVEMENTS AND USE</u> FEDEX shall have the right to occupy the existing terminal (air cargo building) measuring two thousand (2,000) square feet, and an area of nine thousand five hundred sixty-five (9,565) square feet of unimproved land adjacent to the existing terminal (air cargo building), as shown on Exhibit "A" attached hereto and made a part hereof.

FEDEX may only utilize the leased building to provide counter space for members of the public desirous of using FEDEX's cargo and package services and for the operation of a business engaged in the transportation of cargo and other property by air. While premises are leased to FEDEX for parking, FEDEX shall not park or place automotive vehicles in any space on the premises unless it has been designated by the COUNTY for parking. The COUNTY shall cooperate with the FEDEX in designating a reasonable number of parking spaces to accommodate FEDEX's business traffic.

- VIII. <u>COMMON AREAS</u> FEDEX shall have the right to use, in common with others, the Airport space and facilities to permit landing, taking off, loading, unloading and servicing of FEDEX's aircraft, subject to reasonable rules and regulations of COUNTY as to the use of such common spaces and facilities.
- IX. <u>RIGHT OF INGRESS AND EGRESS</u> FEDEX, its agents, employees, customers, suppliers, and patrons shall have the right of ingress and egress to and from the leased premises, which shall not be unreasonably restricted by COUNTY.

- X. <u>UTILITIES</u> FEDEX shall be responsible for the payment of electrical service, water service, trash and septic tank servicing and similar utility services as needed.
- XI. <u>ASSIGNMENT</u> The premises leased hereunder may not be sublet and this lease may not be assigned without the written consent of the COUNTY.
- XII. MAINTENANCE OF PREMISES FEDEX shall be responsible for and shall properly maintain the leased premises, and upon the termination of this lease, shall leave the premises in at least as good condition as at the time of the commencement of this lease, normal use and occupancy excepted. FEDEX shall also be responsible for and shall properly maintain the security fences and gates surrounding the leased premises and any remodeling or construction performed to or on the premises leased hereunder.

XIII. INDEMNIFICATION/HOLD HARMLESS

- 1. FEDEX agrees to indemnify and save COUNTY harmless from and against all claims and actions and expenses incidental thereto, arising out of damages or claims for damages resulting from the negligence of FEDEX, its agents, or employees in the use or occupancy of the leased premises and the common areas of the Airport facilities by FEDEX. However, FEDEX shall not be liable for any claims, actions or expenses resulting from the COUNTY's negligence. The extent of liability is in no way limited to, reduced, or lessened by the insurance requirements contained elsewhere within this agreement.
- 2. Prior to FEDEX taking possession of the property owned by the COUNTY, FEDEX shall obtain, at its own expense, insurance as specified in the attached schedules, which are made a part of this lease agreement.

The FEDEX will not be permitted to occupy or use the lease property until satisfactory evidence of the required insurance has been furnished to the COUNTY as specified below.

FEDEX shall maintain the required insurance, throughout the entire term of this lease agreement, and any extensions, as specified in the attached schedules. Failure to comply with this provision may result in the immediate termination of the lease agreement and the return of all property owned by the COUNTY. FEDEX shall provide to the COUNTY as satisfactory evidence of the required insurance, either a Certificate of Insurance or a certified copy of the actual insurance policy. COUNTY, at its sole option, has the right to required a certified copy of any or all insurance policies required by this contract. All insurance policies must specify that they are not subject to cancellation, non-renewal, material change, or reduction in coverage unless a minimum of thirty (30) days prior notification is given to the COUNTY by the insurer. The acceptance and/or approval of the FEDEX's insurance shall not be construed as relieving the FEDEX from any liability or obligation assumed under this contract or imposed by law. The Monroe County Board of County Commissioners will be included as "Additional Insured" on all policies. FEDEX shall carry its insurance with Insurance companies authorized to do business in the State of Florida.

Any deviations from these General Insurance Requirements must be requested in writing on the COUNTY prepared form entitled "Request for Waiver of Insurance Requirements" and be approved by Monroe County Risk Management.

XIV. <u>DEFAULT</u> Unless the COUNTY has accepted a rental installment after it has become due together with any applicable late payments and penalties, the failure to pay rental installments when due shall constitute a default under the terms of this lease. The failure to pay any other charges or fees when due under this lease shall constitute a default. Further, the failure of FEDEX to perform any other of the covenants of this lease, which failure shall continue for a period of fifteen (15) days after notice thereof is given to FEDEX in writing by the COUNTY, shall also constitute a default under the terms of this lease. In the event of a default, COUNTY may, at its option, declare the lease

forfeited and may immediately re-enter and take possession of the leased premises and this lease shall terminate. If it shall be necessary to employ the services of an attorney in order to enforce its right under this paragraph, or to collect any of its rentals, fees, or charges due, COUNTY shall be entitled to reasonable attorney's fees. Waiver of a default in any particular month shall not bind the COUNTY to forego the provisions of this paragraph and any subsequent default shall be grounds for termination.

XV. <u>CANCELLATION OF LEASE</u> COUNTY may cancel this lease agreement by giving FEDEX sixty (60) days advanced written notice upon the happening of any one of the following events: the appointment of a receiver of FEDEX's assets; the divesting of FEDEX's leasehold estate by other operation of law; the abandonment by FEDEX of its air cargo transportation business at the Airport for a period of sixty (60) days. By the end of the sixty (60) day notice period, FEDEX shall have vacated the premises and the COUNTY may immediately re-enter and take possession of the same. If it is necessary to employ the services of an attorney in order to enforce the COUNTY's rights under this paragraph, the COUNTY shall be entitled to reasonable attorney's fees.

XVI. <u>FAA REQUIREMENTS</u> The parties shall comply with FAA Required Lease Clauses, which are listed in Exhibit "B," attached hereto and made a part hereof.

IN WITNESS WHEREOF, the parties have caused this lease to be executed the day and year first above written.

(SEAL) ATTEST: DANNY L. KOLHAGE, CLERK	BOARD OF COUNTY COMMISSIONERS OF MONROE COUNTY, FLORIDA
By Deputy Clerk	ByMayor/Chairman
Somi S. Balon	FEDERAL EXPRESS CORPORATION By Wiley Johnson
Witness JdairMAPfedex03	Title Maraging Director, Real Estate And Airport Development
	Approved Legal Department

APPROVED AS TO FORM

DATE 10-23-07

EXHIBIT 'A' PREMISES

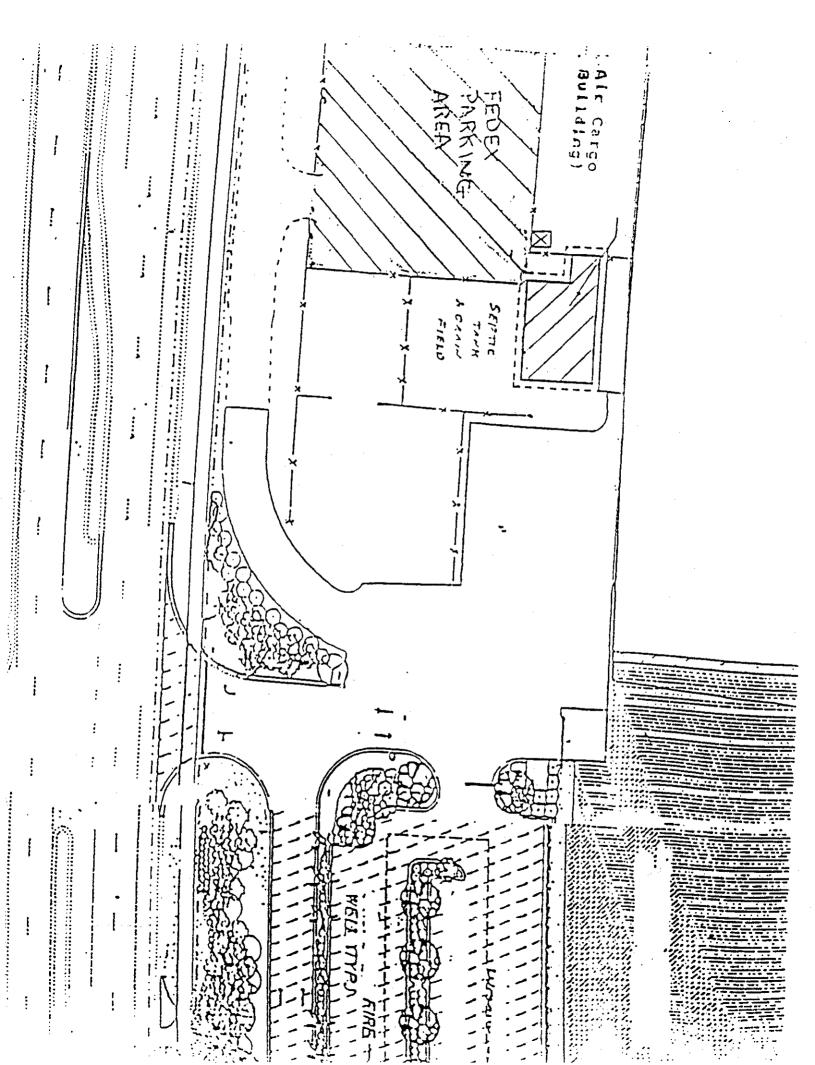


EXHIBIT 'B' FAA REQUIREMENTS

at the end of each 1 year period, by the airport action, not to exceed the Consumer Price Index rate during the last 12 month period, or:

Land less improvements will be appraised every 5 years and the adjusted rental will be based on normally 10-12 porcent of appraised value. If disputed, lessor obtains appraisal at his expense and lessor/lessee equally share expense for review appraisal that

The tenant for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agrae that (1) no parson on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over or under such land and the furnishing of services therson, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, (3) that the tenant shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A. Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be

That in the event of breach of any of the above nondiscrimination covenants, Airport Owner shall have the right to torminate the lease and to re-enter and as if said lease had never been made or issued. The provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are fullowed and completed including exercise or expiration of appeal rights.

reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property hereinafter described, noise as may be inherent in the operation of aircraft,

now known or hereafter used, for navigation of or flight in the said airspace, and for use of said on the airport.

That the Tenant expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the hereinafter described real property to such a height so as to comply with Federal Aviation Regulations, Part 77.

That the Lessae expressly agraes for itself, its successors and assigns, to prayent any use of the hersinafter described real property which would interfers with or adversaly affect the operation or maintanance of the disport, or otherwise constitute an airport hazard.

- 4. This lease and all provisions hereof are subject and subordinate to the terms and conditions of the instruments and documents under which the Airport Owner acquired the subject property from the United States of conflict or be inconsistent with the terms and conditions contained in the lease of said lands from the Airport Owner, and any existing or subsequent rules or regulations which have been, or may hereafter the adopted by the Airport Owner pertaining to the
- or appear to be, to the contrary, it is expressly understood and agreed that the rights granted under this agreement are nonexclusive and the Lessor herein another Lessee or other Lesses on other parts of the airport.

RECEIVED

DEC 23 1993

AIRPORTS/OMB

EXHIBIT 'C' INSURANCE REQUIREMENTS

RISK MANAGEMENT POLICY AND PROCEDURES CONTRACT ADMINISTRATION MANUAL

General Insurance.Requirements for Airport/Aircraft Activities

Prior to the commencement of work governed by this contract (including the pre-staging of personnel and material), the Vendor shall obtain, at his/her own expense, insurance as specified in the attached schedules, which are made part of this contract. The Vendor will ensure that the insurance obtained will extend protection to all Contractors engaged by the Vendor.

The Vendor will not be permitted to commence work governed by this contract (including prestaging of personnel and material) until satisfactory evidence of the required insurance has been furnished to the County as specified below.

The Vendor shall maintain the required insurance throughout the entire term of this contract and any extensions specified in any attached schedules. Failure to comply with this provision may result in the immediate suspension of all activities conducted by the Vendor and its Contractors until the required insurance has been reinstated or replaced.

The Vendor shall provide, to the County, as satisfactory evidence of the required insurance, either:

Certificate of Insurance

or

A Certified copy of the actual insurance policy.

The County, at its sole option, has the right to request a certified copy of any or all insurance policies required by this contract.

All insurance policies must specify that they are not subject to cancellation, non-renewal, material change, or reduction in coverage unless a minimum of thirty (30) days prior notification is given to the County by the insurer.

The acceptance and/or approval of the Vendor's insurance shall not be construed as relieving the Vendor from any liability or obligation assumed under this contract or imposed by law.

The Monroe County Board of County Commissioners, its employees and officials will be included as "Additional Insured" on all policies, except for Workers' Compensation.

Any deviations from these General Insurance Requirements must be requested in writing on the County prepared form entitled "Request for Waiver of Insurance Requirements" and approved by Monroe County Risk Management.

MONROE COUNTY, FLORIDA RISK MANAGEMENT POLICY AND PROCEDURES CONTRACT ADMINISTRATION MANUAL

Indemnification and Hold Harmless
for
Other Contractors and Subcontractors

. . .

The Contractor covenants and agrees to indemnify and hold harmless Monroe County Board of County Commissioners from any and all claims for bodily injury (including death), personal injury, and property damage (including property owned by Monroe County) and any other losses damages, and expenses (including attorney's fees) which arise out of, in connection with, or by reason of services provided by the Contractor or any of its Subcontractor(s) in any tier, occasioned by the negligence, errors, or other wrongful act or omission of The Contractor or its Subcontractors in any tier, their employees, or agents.

In the event the completion of the project (to include the work of others) is delayed or suspended as a result of the Contractor's failure to purchase or maintain the required insurance, the Contractor shall indemnify the County from any and all increased expenses resulting from such delay.

The first ten dollars (\$10.00) of remuneration paid to the Contractor is for the indemnification provided for above.

The extent of liability is in no way limited to, reduced, or lessened by the insurance requirements contained elsewhere within this agreement.

INSURANCE REQUIREMENTS FOR LEASES/RENTALS OF COUNTY-OWNED PROPERTY

MONROE COUNTY, FLORIDA AND

Prior to the Organization/Individual taking possession of the property governed by this lease/rental agreement, the Organization/Individual shall obtain All Risk Property Insurance (to include the perils of Flood and Wind) with limits no less than the Replacement Cost Value of the property leased or rented. Coverage shall be maintained throughout the life of the Lease/Rental Agreement and include, as a minimum, liability coverage for:

Fire Sprinkler Leakage Windstorm Civil Commotion Lightning
Sinkhole Collapse
Smoke
Aircraft and Vahiele Democ

Vandalism
Falling Objects
Explosion
Flood

Aircrast and Vehicle Damage

The Monroe County Board of County Commissioners shall be named as Additional Insured and Loss Payce on all policies issued to satisfy the above requirements.

FOR CONTRACT

BETWEEN MONROE COUNTY, FLORIDA AND

Prior to the commencement of work governed by this contract, the Contractor shall obtain General Liability Insurance. Coverage shall be maintained throughout the life of the contract and include, as a minimum:

Premises Operations

Products and Completed Operations

· Blanket Contractual Liability

Personal Injury Liability

Expanded Definition of Property Damage

The minimum limits acceptable shall be:

\$1,000,000 Combined Single Limit (CSL)

If split limits are provided, the minimum limits acceptable shall be:

\$ 500,000 per Person

\$ 1,000,000 per Occurrence

\$ 100,000 Property Damage

An Occurrence Form policy is preferred. If coverage is provided on a Claims Made policy, its provisions should include coverage for claims filed on or after the effective date of this contract. In addition, the period for which claims may be reported should extend for a minimum of twelve (12) months following the acceptance of work by the County.

The Monroe County Board of County Commissioners shall be named as Additional Insured on all policies issued to satisfy the above requirements.

	, KLYUIREMENTS FOR
CONTRACT	

BETWEEN MONROE COUNTY, FLORIDA AND

Recognizing that the work governed by this contract requires the use of vehicles, the Contractor, prior to the commencement of work, shall obtain Vehicle Liability Insurance. Coverage shall be maintained throughout the life of the contract and include, as a minimum, liability coverage for:

· Owned, Non-Owned, and Hired Vehicles

The minimum limits acceptable shall be:

\$1,000,000 Combined Single Limit (CSL)

If split limits are provided, the minimum limits acceptable shall be:

\$ 500,000 per Person

\$1,000,000 per Occurrence

\$ 100,000 Property Damage

The Monroe County Board of County Commissioners shall be named as Additional Insured on all policies issued to satisfy the above requirements.

FOR
CONTRACT
BETWEEN

BETWEEN MONROE COUNTY, FLORIDA AND

Prior to the commencement of work governed by this contract, the Contractor shall obtain Workers' Compensation Insurance with limits sufficient to respond to the applicable state statutes.

In addition, the Contractor shall obtain Employers' Liability Insurance with limits of not less than:

\$1,000,000 Bodily Injury by Accident

\$1,000,000 Bodily Injury by Disease, policy limits

\$1,000,000 Bodily Injury by Disease, each employee

Coverage shall be maintained throughout the entire term of the contract.

Coverage shall be provided by a company or companies authorized to transact business in the state of Florida.

If the Contractor has been approved by the Florida's Department of Labor, as an authorized self-insurer, the County shall recognize and honor the Contractor's status. The Contractor may be required to submit a Letter of Authorization issued by the Department of Labor and a Certificate of Insurance, providing details on the Contractor's Excess Insurance Program.

If the Contractor participates in a self-insurance fund, a Certificate of Insurance will be required. In addition, the Contractor may be required to submit updated financial statements from the fund upon request from the County.